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SUBJECT: STAFFDEL PHELAN AT MOROCCAN MFA

- (U) This cable is sensitive but unclassified. Please protect accordingly.
- 11. (SBU) Summary: Staffdel Phelan met senior Moroccan MFA officials, including Bilateral Affairs Director Amrani, to discuss Western Sahara, reform, FTA, MCA and other issues of mutual interest. Phelan emphasized the need for a concrete, practical Western Sahara autonomy proposal that could serve as the basis for negotiation. Amrani agreed that a solution is needed to clear the way for regional cooperation and integration. Amrani highlighted areas of cooperation and convergence, especially the NATO Med Dialogue and the BMENA Forum for the Future process. Tazi noted decreasing levels of MEPI and ESF funds despite past assurances. Ambassador briefed MFA officials on Prime Minister Jettou's Washington visit and MCA Compact negotiations. He also presented A Congressional Resolution thanking Morocco for its Katrina-related contributions. End Summary.
- 12. (U) On March 17, Ambassador and Senate Foreign Relations Committee Staffer Michael Phelan met with Ministry of Foreign Affairs (MFA) Director for Bilateral Affairs Youssef Amrani. Amrani was joined by MFA Americas Director Abdellah Salaheddine Tazi. EconCouns also attended.
- 13. (SBU) Noting that the U.S. Senate remains engaged and interested in Maghreb regional issues and wants to promote regional cooperation and prosperity as well as cooperation on issues of mutual interest like counter-terrorism, economic development, democracy, and reform, Phelan explained that his visit was intended to maintain momentum on the main obstacle to progress, the unresolved Western Sahara issue. Following the August 2005 POW release that Senator Richard Lugar helped facilitate, there was hope that additional rapprochement between Morocco and Algeria would be forthcoming. He was encouraged by the news that the GOM was developing an autonomy plan for the southern provinces, but he cautioned that Morocco's plan must be clear, concrete, tangible and practical so it can serve as a basis for further negotiation. Phelan also expressed Senator Lugar's appreciation of Moroccan efforts in cooperation on counter-terrorism as well as reform efforts in the political and economic realm as evidenced by the signing of an FTA and continued preparation for MCA.
- 14. (SBU) Amrani thanked Phelan for Senator Lugar's role in the release of the POWs in August 2005. Amrani agreed that a solution must be found to the Western Sahara question, but that Morocco still worries about "our good neighbors, the Algerians." Any solution must result in a democratic and

stable Western Sahara, he warned. Groups operating out of Chad, Mali, and Algeria, some with Al Quaeda ties, would make use of instability in the region. He dismissed the Baker plan as "behind us," and noted that King Mohammed VI is consulting with political parties and stakeholders on a solution based on "real autonomy" in which the local population will manage itself. Morocco realizes that it needs open borders and regional integration to survive and thrive, he said. The Arab Maghreb Union is a "viable project" that builds on our common history, culture, and language, he said. "We are serious," Amrani insisted. Morocco is preparing to put forward a concrete proposal on autonomy for the Western Sahara as a basis for negotiation. He asked Phelan to carry that message when he traveled to Algiers.

¶5. (SBU) Amrani said the GOM appreciated the deep consultations over the last years with its "strategic ally and important partner" the United States. Whether in counter-terrorism, democratization and reform, or the G-8 BMENA initiatives, Morocco has shared President Bush's vision for the region, even to the extent of hosting the inaugural Forum for the Future in 2004. Morocco remains engaged in the Forum and BMENA process, whether helping to organize the Bahrain and Jordan meetings or supporting the individual BMENA initiatives. Morocco has taken difficult steps on human rights, press freedom, and even negotiating the FTA. On counter-terrorism Morocco is above reproach. King Mohammed VI's Human Development Initiative is completely consistent with the vision of the Millennium Challenge Account. He emphasized Morocco's participation in the NATO Med Dialogue and its pride at hosting the North Atlantic Council in Rabat April 6 and 7. Some countries say Morocco is moving too fast, he said, but more and more we

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are discussing activities and engagements from the same point of view. Finally, Amrani called on the United States to work with Morocco on UN Security Council reforms.

- 16. (U) Americas Director Tazi welcomed Phelan, noting that over the last year the GOM had received more than 25 congressmen, 10 staffdels, and a number of VIP visits. He said it was a signal of the importance of the relationship. He expressed surprise and disappointment over the diminishing levels of development assistance Morocco received from the United States, especially in light of announcements in 2003 and 2004 that the United States would quadruple development aid and military related assistance. Now we see a dramatic reduction in MEPI funding, bilateral ESF, and other support, he noted. Tazi reminded Phelan that former USAID Administrator Natsios had signed a bilateral agreement for a five year \$100 million program addressing Morocco's needs that was now, with a \$20 million ESF reduction in FY 06 alone, in danger of folding.
- 17. (U) Ambassador Riley briefed Amrani and Tazi on Prime Minister Jettou's recent visit to Washington and on the status and progress of Morocco Millennium Challenge Account (MCA) Compact negotiations, including discussions of fisheries, agriculture and artisanal crafts. Ambassador Riley also noted Senator Lugar's participation in a dinner with the PM and MCC CEO Danilovich. He described the MCA as an excellent vehicle for U.S. participation in the Human Development Initiative and a powerful signal of our bilateral friendship and alliance. Ambassador noted the February 25 consultative program for MCA in Ouarzazate, a key prerequisite for moving the process forward. He also presented a framed copy of the Congressional Resolution thanking countries that contributed to the hurricane Katrina response.
- 18. (U) Staffdel Phelan has cleared this message.
- 19. (U) Tripoli minimize considered.